

Pierce County

Department of Community Connections

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September 25, 2015

Victoria Wachino, Director
Center for Medicaid and CHIP Services
Centers for Medicare and Medicaid Services
200 Independence Avenue Southwest
Washington, DC 20201

Dear Director Wachino:

On behalf of Pierce County Community Connection, I am writing to express our strong support for the Supportive Housing Medicaid benefit proposed in Washington State's 1115 Medicaid Transformation Waiver application to the federal Centers for Medicare and Medicaid Services.

Supportive housing is a nationally recognized evidence-based best practice for serving people who are chronically homeless and have serious behavioral and/or physical health disabilities. People who are chronically homeless experience significant health disparities, including high rates of chronic and acute behavioral and physical illnesses, risk of injury, trauma, and exposure from living outside, and barriers to accessing uninterrupted, appropriate levels of health care. As a result, this population also has high costs to public systems, including Medicaid, due to frequent emergency department utilization, hospitalizations, and high utilization of other public crisis services.

A strong body of local and national evidence has demonstrated that supportive housing is effective in helping people who are chronically homeless access and retain permanent housing and regular, appropriate levels of health services. This intervention leads to housing stability, positive health outcomes, and improved utilization of health and social services. These proven outcomes result in significant savings to public systems that often exceed the cost of providing supportive housing. An evaluation of DESC's 1811 Eastlake Project, a supportive housing program in Washington State, found that over \$4 million in savings to public systems was achieved within the first year of the program. Of this total, 56% of the savings was in Medicaid cost reductions.

One of the barriers to bringing supportive housing fully to scale in Washington is a shortage of funding for the housing services that are critical to the model's success. If approved, the Supportive Housing Medicaid benefit will bring additional resources for supportive housing services to Washington and will help make the expansion of this intervention financially feasible. According to the one-day counts of homelessness in Pierce County the number of chronically homeless people has increased 60% since 2013, with the largest increase among chronically homeless people who lack shelter – up 88%. The root cause of homelessness in any community is the lack of affordable housing. Among those whose homelessness spans more than a year, mental health and substance use issues are often contributing factors. The proven solution is a housing first model that helps people move back into permanent housing with appropriate support services. Once in housing people are able to address other factors that may have contributed to their homelessness. This is only possible when services are coupled with the housing, which approval of the 1115 Medicaid Transformation Waiver will facilitate.

Thank you for your consideration of Washington's 1115 Medicaid Transformation Waiver application. We look forward to continuing to work with the Washington State Health Care Authority to implement the 1115 waiver and a supportive housing Medicaid benefit. If approved, this proposal will result in significant savings to Medicaid while ensuring people with serious disabilities are able to live with security, autonomy and dignity in their own communities.

Sincerely,

Tess Colby
Manager, Housing, Homeless and Community Development Programs